STATE OF ILLINOIS
METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT (MANG)

'/97 12. RCHAP General Care Admission means Medicaid General Care Admissions, as defined in subsection H.4. above, less RCHAP Obstetrical Care Admissions, occurring in the CHAP base period.

==07/97 13. RCHAP Obstetrical Care Admissions means Medicaid General Care Admissions, as defined in subsection H.4. above, with a Diagnosis Related Group (DRG) of 370 through 375, occurring in the CHAP base period.

==07/97 14. Medicaid psychiatric days, as used in subsection H.18 below, means hospital inpatient days for the Supplemental CHAP base that are billed to the Department with a category of service 21.

==07/97 15. Medicaid rehabilitation days, as used in subsection H.18. below, means hospital inpatient days for the Supplemental CHAP base that are billed to the Department with a category of service 22.

==07/97 16. Total Medicaid admissions means hospital inpatient admissions for the Supplemental CHAP base period for recipients of medical assistance under Title XIX of the Social Security Act, excluding admissions for normal newborns, and Medicare/Medicaid crossover admissions.

==07/97 17. Total Medicaid days means hospital inpatient days for the CHAP base period for recipients of medical assistance under Title XIX of the Social Security Act, excluding days for normal newborns, and Medicare/Medicaid crossover days.

==07/97 18. DHA Medicaid days means Total Medicaid days that include Medicaid psychiatric days and Medicaid rehabilitation days for the CHAP base period multiplied by a factor of two.

==07/97 I. Supplemental Critical Hospital Adjustment Payments (SCHAP)
Supplemental Critical Hospital Adjustment Payments (SCHAP) shall be made to all eligible hospitals, excluding county-owned hospitals and hospitals organized under the University of Illinois Hospital Act, as described in Section C.8 of Chapter II, for inpatient admissions occurring on or after July 1, 1997, in accordance with this Section.

==07/97 1. To qualify for payments under this Section, a hospital must be located in Health Services Area (HSA) 6 or HSA 11 and satisfy one of the following criteria during the Supplemental CHAP base period:

STATE OF ILLINOIS
METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT (MANG)

'/97

a. A hospital's:

i. Medicaid obstetrical care admissions is greater than or equal to the mean number of Medicaid obstetrical care admissions for all hospitals located within the same Health Facilities Planning Area (HPA)., ,

ii. Total critical weighting factor is greater than or equal to the mean Total critical weighting factors all hospitals located within the same HSA, and

iii. Medicaid inpatient utilization rate (MIUR). is greater than or equal to the mean MIUR of all hospitals located within the same HSA.

b. A hospital has:

i. 3900 or more Medicaid admissions.

ii. an occupancy percentage rate greater than the mean occupancy percentage rate, as defined by the Department of Public Health, of all hospitals within the same HSA, and

iii. an MIUR greater than or equal to 55 percent.

c. A hospital that is a children's hospital, as defined in subsection C.3. of Chapter II, with a MIUR greater than or equal to 80 percent.

d. A hospital that is located in an HPA where all hospitals also are located in a Health professional shortage area (HPSA)., as designated in the Federal Register for the Supplemental CHAP base period, and has the greatest number of Medicaid obstetrical care admissions among all hospitals within that same HPA.

e. A hospital that provides at least 900 Medicaid obstetrical admissions and possess an MIUR that is greater than or equal to 70 percent.

f. A hospital that has an MIUR that is greater than or equal to 75%.

2. The Department will make payments during the CHAP rate period to qualifying SCHAP hospitals under the following methodology:

STATE OF ILLINOIS

METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT (MANG)

/97

a. For hospitals qualifying under subsection 1.a. above that are located in HSA 6, the product of the Total Medicaid admissions multiplied by:

i. $620 for hospitals that,

A. have an MIUR that is greater than or equal to one standard deviation above the mean MIURs of all hospitals within HSA 6 and

B. have a Total critical weighting factor that is greater than or equal to one standard deviation above the mean of the Total critical weighting factors for all hospitals within HSA 6.

ii. $615 for hospitals that,

A. have an MIUR that is greater than or equal to one-half standard deviation, but less than one standard deviation, above the mean MIURs of all hospitals within HSA 6 and

B. have a Total critical weighting factor that is greater than or equal to one-half standard deviation, but less than one standard deviation, above the mean Total critical weighting factors of all hospitals within HSA 6.

iii. $610 for hospitals that,

A. have an MIUR that is greater than or equal to the mean, but less than one-half standard deviation, above the mean MIURs of all hospitals within HSA 6 and

B. have a Total critical weighting factor that is greater than or equal to the mean, but less than one-half standard deviation, above the mean Total critical weighting factors of all hospitals within HSA 6.

b. For hospitals qualifying under subsection 1.a. above that are located in HSA 11, the product of the Total Medicaid admissions multiplied by:

i. $835 for hospitals that,

A. have an MIUR that is greater than or equal to one standard deviation above the mean MIURs of all hospitals within HSA 11 and

STATE OF ILLINOIS

METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG). AND MEDICAL ASSISTANCE-NO GRANT (MANG).

//97

B. have a Total critical weighting factor that is greater than or equal to one standard deviation above the mean of the Total critical weighting factors for all hospitals within HSA 11.

ii. $775 for hospitals that,

A. have an MIUR that is greater than or equal to one-half standard deviation, but less than one standard deviation, above the mean MIURs of all hospitals within HSA 11 and

B. have a Total critical weighting factor that is greater than or equal to one-half standard deviation, but less than one standard deviation, above the mean Total critical weighting factors of all hospitals within HSA 11.

iii.$700 for hospitals that,

A. have an MIUR that is greater than or equal to the mean, but less than one-half standard deviation, above the mean MIURs of all hospitals within HSA 11 and

B. have a Total critical weighting factor that is greater than or equal to the mean, but less than one-half standard deviation, above the mean Total critical weighting factors of all hospitals within HSA 11.

c. For hospitals qualifying under subsection 1.b. above, the product of the Total Medicaid admissions, multiplied by $375.

d. For hospitals qualifying under subsection 1.c., above, the product of the Total Medicaid days, multiplied by $125.

e. For hospitals qualifying under subsection 1.d. above, the product of the Total Medicaid days, multiplied by $99.50.

f. For hospitals qualifying under subsection 1.e. above and located in HSA 6, the product of the Total Medicaid admissions, multiplied by $875.

g. For hospitals qualifying under subsection 1.e. above and located in HSA 11, the product of the Total Medicaid admissions, multiplied by $835.

h. For hospitals qualifying under subsection 1.f. above and located in HSA 6 the product of the Total Medicaid admissions, multiplied by $420.

STATE OF ILLINOIS

METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG). AND MEDICAL ASSISTANCE-NO GRANT (MANG).

==07/97

i. For hospitals qualifying under subsection ~~(1).(f).~~1.f. above and located in HSA 11, the product of the Total Medicaid admissions, multiplied by $400.

3. A hospital may only receive payments under one of the payment methodologies described in subsection 2. above. In the event that a hospital qualifies under more than one criteria under subsection a., the Department will reimburse the hospital using the payment methodology that allows the largest payment.

4. For any hospital that meets any of the qualifying criteria under subsection b. above, the Department will increase the SCHAP payment if, during the Supplemental CHAP base period, a hospital meets either or both of the conditions under 4.a. or 4.b. below.

a. A hospital has a;

i. Medicaid obstetrical care admissions greater than or equal to the mean number Medicaid obstetrical care admissions of all hospitals located in the qualifying hospital's HSA,

ii. Total critical weighting factor that is greater than or equal to the mean Total critical weighting factor of all hospitals located in the qualifying hospital's HPA, and

iii. an MIUR greater than or equal to the mean MIUR of all hospitals located in the qualifying hospital's HPA.

b. A hospital has an MIUR greater than or equal to 70%.

5. Additional SCHAP payments shall be paid under the following methodologies:

a. For hospitals qualifying under subsection 4.a. above and located in HSA 6, the product of $40 multiplied by the hospital's Total SCHAP admissions.

b. For hospitals qualifying under subsection 4.a. above and located in HSA 11, the product of $405 multiplied by the hospital's Total SCHAP admissions.

c. For hospitals qualifying under subsection 4.b. above and located in HSA 6, the product of $185 multiplied by the hospital's Total SCHAP admissions.

d. For hospitals qualifying under subsection 4.b. above and located in HSA 11, the product of $330 multiplied by the hospital's Total SCHAP admissions.

STATE OF ILLINOIS

METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG). AND MEDICAL ASSISTANCE-NO GRANT (MANG).

/97

6. SCHAP payments under this Section shall be paid on a quarterly basis.

7. Definitions:

a. "Supplemental CHAP base period" means services provided during State Fiscal Year 1995 and adjudicated by the Department by June 30, 1996.

b. "CHAP rate period", as used in this Section, means, beginning July 1, 1995, the 12 month period beginning on July 1 of the year, and ending June 30 of the following year.

c. "Medicaid Inpatient Utilization Rate" (MIUR)., as used in this Section, means a fraction, the numerator of which is the number of a hospital's inpatient days provided in a given 12 month period to patients who, for such days, were eligible for Medicaid under Title XIX of the federal Social Security Act (42 U.S.C.Sec.1396a et. seq.) and the denominator of which is the total number of the hospital's inpatient days in that same period. Title XIX specifically excludes days of care provided to Family and Children Assistance (formerly known as General Assistance) and Aid to the Medically Indigent (AMI) days but does include the types of days described in subsection c.3. of this Section. In this paragraph, the term "inpatient day" includes each day in which an individual (including a newborn) is an inpatient in the hospital whether or not the individual is in a specialized ward and whether or not the individual remains in the hospital for lack of suitable placement elsewhere.

d. "Medicaid obstetrical care admissions", as used in this Section, means hospital inpatient admissions which were subsequently adjudicated by the Department through the last day of June preceding the CHAP rate period and contained within the Department's paid claims data base, for recipients of medical assistance under Title XIX of the Social Security Act, with an ICD-9-CM principal diagnosis code of 640.0 through 648.9 with a 5th digit of 1 or 2; 650; 651.0 through 659.9 with a 5th digit of 1,2,3, or 4; 660.0 through 669.9 with a 5th digit of 1,2, 3, or 4; 670.0 through 676.9 with a 5th digit of 1 or 2; or V27 through V27.9; or V30 through V39.9; or any ICD-9-CM principal diagnosis code that is accompanied with a surgery procedure code between 72 and 75.99; and specifically excludes Medicare/Medicaid crossover claims.

STATE OF ILLINOIS

METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT (MANG)

e. "Total critical weighting factor", as used in this Section, applies when the sum of the critical weighting factors is greater than one standard deviation above the mean of the summed critical weighting factors for all hospitals located within the same planning area.

f. "Medicaid psychiatric admissions," as used in subsection 7.i. below, means hospital inpatient admissions for the Supplemental CHAP base that are billed to the Department with a category of service 21.

g. "Medicaid rehabilitation admissions," as used in subsection 7.i., below, means hospital inpatient admissions for the Supplemental CHAP base that are billed to the Department with a category of service 22.

h. "Total Medicaid Days," means hospital inpatient days for the Supplemental CHAP base period for recipients of medical assistance under Title XIX of the Social Security Act, excluding days for normal newborns, and Medicare/Medicaid crossover days.

i. "Total SCHAP Admissions," means Total Medicaid admissions that include Medicaid psychiatric admissions and Medicaid rehabilitation admissions for the Supplemental CHAP base period multiplied by a factor of two.

==07/95 XVI Definitions and Applicability

10/92 A. Payment for hospital inpatient services shall be made only to a hospital or a distinct part hospital unit as defined in this Section.

92 1. The term "hospital" means:

10/93 a. Any institution, place, building, or agency, public or private, whether organized for profit or not-for-profit, which is located in the State and is subject to licensure by the Illinois Department of Public Health under the Hospital Licensing Act or any institution, place, building or agency, public or private, whether organized for profit or not-for-profit, which meets all comparable conditions and requirements of the Hospital Licensing Act in effect for the state in which it is located. In addition, unless specifically indicated otherwise, the term "hospital" shall also include:

==07/95 I. County-owned hospitals, meaning all county-owned hospitals that are located in an Illinois county with a population of over three million.

10/93 ii. A hospital organized under the University of Illinois Hospital Act.

STATE OF ILLINOIS

METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT (MANG)

0/93 2. The term "hospital" shall, in addition to the definitions described in Section A.1. above, include a hospital unit that is adjacent to or on the premises of the hospital and licensed under the Hospital Licensing Act or the University of Illinois Hospital Act.

10/93 3. The term "distinct part hospital unit" means a hospital, as defined in Section A.1. above, that meets the following qualification(s):

'ATE OF ILLINOIS

:THODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT:
:DICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT (MANG)

10/92 a. Distinct Part Psychiatric Units. A distinct part psychiatric unit is a hospital, with a functional psychiatric unit, that is enrolled with the Department to provide inpatient psychiatric services (category of service 21).

10/92 b. Distinct Part Rehabilitation Units. A distinct part rehabilitation unit is a hospital, with a functional rehabilitation unit, that is enrolled with the Department to provide inpatient rehabilitation services (category of service 22).

10/93 4. A major teaching hospital is defined as a hospital having four or more graduate medical education programs accredited by the American Accreditation Council for Graduate Medical Education, the American Osteopathic Association Division of Post-doctoral Training, or the American Dental Association Joint Commission on Dental Accreditation. Except, in the case of a hospital devoted exclusively to physical rehabilitation, as defined in Section C.2. of Chapter II., or in the case of a children's hospital, as defined in Section C.3. of Chapter II, only one certified program is required to be so classified.

10/92 5. Except as provided in Section A.4. above, a teaching hospital is defined as a hospital having at least one, but no more than three, graduate medical education programs accredited by the American Accreditation Council for Graduate Medical Education, American Osteopathic Association Division of Post-doctoral Training, or the American Dental Association Joint Commission on Dental Accreditation.

10/92 6. A non-teaching hospital is defined as:

10/92 a. A hospital that reports teaching costs on the Medicare or Medicaid cost reports but has no graduate medical education programs; or

10/92 b. A hospital that reports no teaching costs on the Medicare or Medicaid cost reports and that has no graduate medical education programs.

==04/98 7. For the purpose of disproportionate share hospital adjustments, the term "hospital" shall, in addition to the definition ~~described~~ in Sections A.1. and A.2. of Chapter XVI, mean ~~include~~ the facilities operated by the Department of Human Services, including facilities that ~~Department of Mental Health and Developmental Disabilities which~~ are accredited by the Joint Commission on Accreditation of Health Organizations (JCAHO).

STATE OF ILLINOIS

METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT (MANG)

10/92 B. Definitions. Unless specifically stated otherwise, the definitions of terms used in this State plan are as follows:

10/93 1. "Base period" means the two most recent cost report years for which audited cost reports are available for at least 90 percent of cost reporting hospitals.

10/93 2. "Rate period" means:

10/93 a. For admissions, or if applicable, dates of service, on or after October 1, 1992, and on or before March 31, 1994, the eighteen month period beginning on October 1, 1992, and ending on March 31, 1994

10/93 b. Beginning with admissions, or if applicable, dates of service, on or after April 1, 1994, the period beginning 90 days after the effective date of DRG PPS rates under the federal Medicare Program and ending 90 days after any subsequent DRG PPS rate change under the federal Medicare Program.

10/93 3. "Rural hospital" means a hospital that is:

a. Located:

i. Outside a metropolitan statistical area; or

ii. Located 15 miles or less from a county that is outside a metropolitan statistical area and that is licensed to perform medical/surgical or obstetrical services and has a combined approved total bed capacity of 75 or fewer beds in these two service categories as of the effective date of P.A. 88-88 (July 14, 1993), as determined by the Illinois Department of Public Health.

b. The Illinois Department of Public Health must have been notified in writing of any changes to a facility's bed count on or before the effective date of P.A. 88-88 (July 14, 1993).

10/93 4. "Urban hospital" means a hospital that is located in a metropolitan statistical area that does not meet the criteria described in Section B.3. above.

10/93 5. "DRG grouper" means:

a. For the rate period described in Section B.2.a. of this Chapter, the HCFA Medicare DRG grouper in effect on September 1, 1992, adjusted for differences in Medicare and Medicaid policies and populations, as described in Section A.1. of Chapter IV .